

REMARKS

Claims 30 - 45 are pending. Claims 1- 29 have been cancelled. No new matter has been introduced.

In the Office Action dated May 4, 2005 ("the Office Action"), the Examiner requested that the affirmation of the telephonic provisional election be made. Applicants affirm the election of the Group I (claims 1-11), without traverse. Applicants also thank the Examiner for examining the Group III claims as the Examiner has identified that these claims are not patentably distinct from the Group I claims. Group I claims were directed to a method of generating a net delta change (or inventory adjustment). Applicants have drafted claims 30 - 45 so that claims 30 - 45 are directed to a method of making inventory or inventory projection adjustments, which is the same invention as the elected Group I claims. Applicants cancelled the previously elected claims and redrafted the claims, i.e., claims 30 - 45 to address the Examiner's other objections and rejections. Accordingly, Applicants submit the claims 30 - 45 are directed to the elected invention.

In the May 4, 2005 Office Action, the Examiner rejected claims 1-29 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. In the Office Action, the Examiner suggested, by way of example, inserting something to the effect of "using a computer ..." if the Applicants' specification supports such an amendment. The applicants have drafted claims 30 - 45 to address the rejection under 35 U.S.C. § 101 and respectfully submit that claims 30 - 45 are in compliance with 35 U.S.C. § 101 because they are now directed to statutory subject matter.

The Examiner rejected claims 1-29 under 35 U.S.C. § 112, second paragraph as being indefinite because the Examiner believes that Applicants have not lexicographically defined the term "net delta change." In response to this, the applicants have deleted the reference to "net delta change" and have replaced this phrase with the phrase "an inventory projection adjustment" or "an adjustment to an inventory projection". This is supported by the specification. As described in paragraph 0040 of pages 12-13, net delta changes are used to revise underlying inventory projections (by adjusting the inventory projections) to remove excursions. Additionally, paragraph 0044 of pages 14-15 teaches using net delta changes to revise inventory projections to meet a specified target inventory. Accordingly, Applicants respectfully request that the objection to the claims under 35 U.S.C. § 112, second paragraph due to the use of the term "net delta change" be withdrawn because claims 30 - 45 do not utilize that term.

The Examiner also rejected claims 4-6 under 35 U.S.C. § 112, second paragraph as being indefinite because of the ambiguity presented by the phrases "at least some of" and "at least one of." Claims 4 - 6 have been cancelled.

The Examiner also rejected claims 1-29 under 35 U.S.C. § 112, second paragraph as being indefinite because the scope of the claims could not be determined. With respect to this particular ground for rejection, the Examiner noted that if Applicants overcome the § 101 rejections, the rejection would be withdrawn. Because applicants believe that claims 30 - 45 are directed to statutory subject matter and thus overcome the 35 U.S.C. § 101 rejection, the applicants respectfully request that the rejection of claims under 35 U.S.C. § 112, second paragraph be withdrawn.

In the May 4, 2005 Office Action, the Examiner rejected claims 1-11 under 35 U.S.C. § 102(b) as being anticipated by Kagami, U.S. Patent No. 5,237,496. This rejection is traversed in so far as it is applicable to the presently pending claims.

Claim 30 distinguishes over the Kagami reference. Claim 30 recites:

A program code storage device, comprising:  
a computer-readable storage medium; and  
computer-readable program code, stored on the machine-readable storage medium, the machine-readable program code having instructions, which when executed cause a computing system to:  
receive supply line information;  
**generate an inventory projection for a plurality of days based on the supply line information;**  
**determine a calculation window within the plurality of days and verify that a next processing day is within the calculation window;**  
**determine if a target inventory exists for the next processing day;**  
**compare the target inventory for the next processing day with the inventory projection for a current day;**  
**adjust the inventory projection to meet the target inventory for the next processing day by creating an adjusted inventory projection if there is a difference between the target inventory for the next processing day and the inventory projection for the current day.**

The Kagami reference teaches an inventory control method and system in which changes of sales for individual goods are forecasted and the excess or deficiency of a stock of each of the goods at the present point of time is estimated from the results of the forecast. In other words, the Kagami reference teaches forecasting the sales pattern for a particular good and, based upon the forecast, determining whether a stock deficiency or excess exists. The Kagami reference discloses that merchandise information is sorted and displayed in accordance with the degree of urgency, the degree of importance, or the likelihood of an inventory adjustment. The Kagami

reference discloses that the displaying may be a stock warning index. The Kagami reference also discloses that the inventory can be adjusted in accordance with the stock warning index. (*Kagami*, col. 10, lines 25 - 45; col. 4, lines 16 - 65; and abstract).

This is not the same as **generating an inventory projection for a plurality of days, determining a calculation window within the plurality of days, and verifying that a next processing day is within the calculation window.** The Kagami reference is disclosing evaluating sales forecasts and comparing the sales forecasts to actual inventory. Based upon the comparison, the Kagami reference is disclosing the generating of stock warning indexes and then adjusting actual inventory based on the stock warning index. In other words, the Kagami reference is reacting to sales forecasts and changing actual inventory, not using supply line information and generating an inventory projection, as is recited in claim 30. The Kagami reference also does not disclose determining a calculation window and/or the utilization of a target inventory in conjunction with the inventory projection, as is recited in claim 30. Accordingly, applicants respectfully submit that claim 30 distinguishes over the Kagami reference.

Claims 31 - 33 depend, indirectly or directly, on claim 30. Accordingly, applicants respectfully submit that claims 31 - 33 distinguish over the Kagami reference for the same reasons as those discussed above in regard to claim 30.

Claim 34 distinguishes over the Kagami reference. Claim 34 recites:

A program code storage device, comprising:  
a computer-readable storage medium; and  
computer-readable program code, stored on the machine-readable storage medium, the machine-readable program code having instructions,

which when executed cause a computing system to:  
    receive supply line information;  
    generate an inventory projection for a plurality of days based on the supply line information;  
    **set a minimum projected inventory value and a maximum projected inventory value;**  
    **determine if an excursion occurs, the excursion being where the inventory projection is below the minimum projected inventory value or above the maximum projected inventory value; and**  
    **generate an inventory projection adjustment to minimize the excursion.**

As noted above in regard to claim 30, the Kagami reference does not disclose generating an inventory projection. Further, the Kagami reference does not disclose the setting of a minimum inventory projected goal and a maximum inventory projected goal, as is recited in claim 34. In addition, the Kagami reference does not disclose that **an inventory projection adjustment is made to minimize an excursion which is the inventory projection being above the maximum projected inventory value or below the minimum inventory projected value.** Accordingly, applicants respectfully submit that claim 34 distinguishes over the Kagami reference.

Claims 35 and 36 depend, indirectly or directly, on claim 34. Accordingly, applicant respectfully submits that claim 34 distinguishes over the Kagami reference for the same reasons as those discussed in regard to claim 34.

**Claim 37 distinguishes over the Kagami reference. Claim 37 recites:**

A program code storage device, comprising:  
    a computer-readable storage medium; and  
    computer-readable program code, stored on the machine-readable storage medium, the machine-readable program code having instructions, which when executed cause a computing device to:  
        receive supply line information;  
        generate an inventory projection for a plurality of days based on the supply line information;  
        establish a minimum inventory projection goal and a maximum

inventory projection goal;  
**determine a largest difference between the inventory projection and the minimum inventory projection goal within the plurality of days;**  
**add the largest difference to the inventory projection for a current day to create an updated current day projection; and**  
**recalculate the inventory projection for the plurality of days, utilizing the updated current day projection, to generate an updated inventory projection for the plurality of days.**

As discussed above in regard to claim 30, the Kagami reference does not disclose utilizing an inventory projection. As discussed above in regard to claim 34, the Kagami reference does not disclose setting a maximum projected inventory goal or a minimum projected inventory goal. Further, the Kagami reference does not disclose determining a largest difference between the inventory projection and the minimum inventory projection goal within the plurality of days and adding the largest difference to the inventory projection for a current day to create an updated current day projection, as is recited in claim 37. The Kagami reference is only looking at actual inventory levels, comparing the actual inventory levels to sales forecasts, generating alerts if actual inventory levels do not meet sales forecasts and adjusting the actual inventory based on the alerts. This is not looking for a largest difference between an inventory projection and a minimum inventory goal, as is recited in claim 37. In addition, the Kagami reference does not disclose recalculating the inventory projection to generate an updated inventory projection. Accordingly, applicants respectfully submit that claim 37 distinguishes over the Kagami reference.

Claims 38 - 40 depend, indirectly or directly, on claim 37. Accordingly, applicants respectfully submit that claims 38- 40 distinguish over the Kagami reference for the

same reasons as those discussed above in regard to claim 37.

Claim 41 distinguishes over the cited references. Claim 41 recites:

A program code storage device, comprising:  
a computer-readable storage medium; and  
computer-readable program code, stored on the machine-readable storage medium, the machine-readable program code having instructions, which when executed cause a computing device to:  
receive supply line information;  
generate an inventory projection for a plurality of days based on the supply line information;  
establish a minimum inventory projection goal and a maximum inventory projection goal for each of the plurality of days;  
**detect if an above maximum excursion occurs, the maximum excursion being when the inventory projection is above the maximum inventory projection goal on a first day;**  
**calculate a first difference, the first difference being how much the inventory projection is above the maximum inventory projection goal for the first day;**  
**set a current processing day to the first day;**  
**calculate a first largest difference between the inventory projection and the minimum inventory goal for the plurality of days;**  
**and**  
**generate an inventory projection adjustment, where the inventory projection adjustment is a smallest value of 1) the first difference; 2) the first largest difference; and 3) an amount of inventory backlog.**

As discussed above in regard to claim 30, the Kagami reference does not disclose inventory projections. As discussed above in regard to claim 34, the Kagami reference does not disclose a minimum projected inventory goal and a maximum inventory projection goal. In addition, the Kagami reference does not disclose any of the above-highlighted limitation because the Kagami reference is not comparing an inventory projection over a number of days to projected inventory maximum and minimum goals, as is recited in claim 41. Accordingly, applicants respectfully submit

that claim 41 distinguishes over the Kagami reference.

Claims 42 - 45 depend, indirectly or directly, on claim 41. Accordingly, applicants respectfully submit that claims 42 - 45 distinguish over the Kagami reference for the same reasons as those discussed above in regard to claim 41.

Applicants believe that the claims are in condition for allowance, and a favorable action is respectfully requested. If for any reason the Examiner finds the application other than in condition for allowance, the Examiner is requested to call either of the undersigned attorneys at the Los Angeles telephone number (213) 488-7100 to discuss the steps necessary for placing the application in condition for allowance should the Examiner believe that such a telephone conference would advance prosecution of the application.

Respectfully submitted,

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